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INMAN SAYS EDUCATION KEY TO WORLD TRADE  
LINCOLN, NB

Educational issues associated with an ability to compete in the international marketplace must be addressed by Americans so they can stop the slide in their standard of living, retired Adm. Bobby Inman said Thursday.

Inman, a former U.S. intelligence official and currently a businessman, delivered the ninth annual E.J. Faulkner Lecture Thursday at the University of Nebraska.

Formerly deputy director of the CIA, director of the National Security Council and chief of naval intelligence, Inman now is chairman of the board and chief executive officer of Westmark Systems of Austin, Texas.

Inman said that contrary to what some think, the U.S. standard of living and its productivity are declining. Part of the reason is the U.S. economy's historical slant toward its domestic market, the largest in the world.

Now, as the U.S. trade deficit statistics showed again Wednesday, export-oriented foreign nations are holding a larger share of American markets than ever before, he said. That is despite the free fall in the value of the U.S. dollar, which should make foreign goods more expensive in the United States.

"The only answer I can find that's rational is the issue of quality," Inman said. "The American consumer is willing to pay more for what is perceived to be quality."

Part of the decline in the U.S. standard of living is evident in the loss of 1.2 million manufacturing jobs at an average wage of \$444 per week. The service economy ascended and added 10.4 million jobs at an average wage of \$272 per week.

Restoration of a manufacturing base is essential to stop the destruction of the U.S. standard of living, he said. The restoration can be accomplished in part by the kind of tax incentives that encourage investment in research and development, he said.

The United States still has the largest base in the world for creating new technology -- land-grant public institutions such as the University of

Nebraska -- that were started by the Morrill Act in 1862 for the improvement of agricultural production.

The federal government is not likely to lead the way in the restoration of U.S. productivity, Inman said. Instead, the way will be led at the local level by governments, educational institutions and businesses willing to collaborate.